

Message Text

UNCLASSIFIED

PAGE 01 TEHRAN 00864 271337Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 COME-00 H-02 /021 W
-----272221Z 067208 /66

R 271235Z JAN 77
FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC 1034

UNCLAS TEHRAN 0864

E.O. 11652: N/A
TAGS: BDIS BTRA IR
SUBJ: INGERSOLL-RAND VISIT TO ATTEMPT TO
RESOLVE COMMERCIAL DISPUTE

REF STATE 012967

1. INGERSOLL-RAND AND DETROIT DIESEL ALLISON OFFICIALS
CONSULTED WITH EMBOFF ON JANUARY 23 REGARDING THEIR
ATTEMPTS TO DELIMIT THE PERFORMANCE TEST OF EIGHT GAS-
TURBINE-DRIVEN PUMPS SOLD TO NATIONAL IRANIAN OIL COMPANY
(NIOC) FOR AHWAZ-REY PIPELINE. SUCCESSFUL COMPLETION
OF TEST PERIOD WOULD RESULT IN PAYMENT OF OUTSTANDING
EXPENSES, LETTER FROM NIOC ATTEMPTING TO SUCCESSFUL
PERFORMANCE OF EQUIPMENT, AND RELEASE OF \$7.5 MILLION
GUARANTEE PUT UP BY THE COMPANIES APPARENTLY IN CONNECTION
WITH AN NIOC TENDER FOR SIXTEEN ADDITIONAL UNITS. COMPANIES
ALSO HAD BEEN THREATENED (SINCE WITHDRAWN) WITH BLACKLISTING
BY NIOC.

2. COMPANY OFFICIALS INDICATED THAT EQUIPMENT HAD SOME INITIAL
DIFFICULTIES BUT HAD BEEN OPERATING FLAWLESSLY UNDER THE SUPER-
VISION OF U.S. TECHNICIANS FOR ABOUT FIVE MONTHS. U.S.
FIRMS HAVE BEEN UNABLE, HOWEVER, TO OBTAIN NIOC AGREEMENT
TO SPECIFY MUTUALLY-ACCEPTABLE TEST PERIOD REQUIRED BY
NIOC AND DEGREE OF PERFORMANCE NEEDED DURING TEST PERIOD.
IN THIS REGARD, NOTED THAT THE EIGHT UNITS WERE NO LONGER NEW
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AND INTIMATED THAT NORMAL WEAR COULD MAKE ITSELF FELT REQUIRING
SHUTDOWN FOR MAINTENANCE.

3. EMBOFF SUGGESTED COMPANIES TAKE FIRM LINE WITH NIOC FOLLOWING
DAY - POSSIBLY INDICATING THAT THEY CONSIDERED TEST PERIOD
ALREADY UP - AND DISCUSSED WITH THEM POSSIBILITY AND DESIRABILITY
OF HIGHER-LEVEL APPROACH IF NECESSARY. THEY PROMISED TO REPORT

RESULT AFTER MEETING WITH ABRAHAMIAN.

4. HORTON OF INTERSOLL-RAND SUBSEQUENTLY INFORMED EMBASSY THAT THE SITUATION APPEARED UNDER CONTROL. AFTER ROCKY BEGINNING, DURING WHICH ABRAHAMIAN OF NIOC REACTED SHARPLY TO LETTER PREVIOUSLY SENT HIM BY U.S. FIRMS, BOTH PARTIES REACHED AMCIABLE AGREEMENT TO REDUCE TEST PERIOD TO ADDITIONAL THREE MONTHS. U.S. FIRMS INTENDED TO PRESENT MINUTES OF DISCUSSION TO NIOC CONFIRMING ABOVE. HORTON INDICATED, HOWEVER, THAT THEY HAD NOT SPECIFIED DEGREE OF PERFORMANCE REQUIRED (E.G., 95 PERCENT, 98 PERCENT, ETC.) SEEMINGLY RAISING POSSIBILITY OF FUTURE MISUNDERSTANDINGS.
MIKLOS

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Message Attributes

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Control Number: n/a
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Sent Date: 27-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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TAGS: BDIS, BTRA, IR
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Type: TE
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